KONECRANES
Lifting Businesses™

THIRD QUARTER ORDER INTAKE DOWN, PROFITABILITY IMPROVED FROM THE BEGINNING OF THE YEAR

Interim Report
January–September 2013

Q3

THIRD QUARTER ORDER INTAKE DOWN, PROFITABILITY IMPROVED FROM THE BEGINNING OF THE YEAR

Figures in brackets, unless otherwise stated, refer to the same period in the previous year.

THIRD QUARTER HIGHLIGHTS

- Order intake EUR 412.9 million (458.0), -9.9 percent; Service -6.3 percent and Equipment -8.8 percent.
- Order book EUR 1,018.9 million (1,085.1) at end-September, 6.1 percent lower than a year ago, 5.6 percent lower than at end-June 2013.
- Sales EUR 502.9 million (529.8), -5.1 percent; Service -1.7 percent and Equipment -6.3 percent.
- Operating profit excluding restructuring costs EUR 32.4 million (37.0), 6.4 percent of sales (7.0).
- Restructuring costs EUR 23.6 million (0.0).
- Operating profit EUR 8.8 million (37.0), 1.7 percent of sales (7.0).
- Earnings per share (diluted) EUR 0.09 (0.43).
- Net cash flow from operating activities EUR 40.7 million (45.0).
- Net debt EUR 246.3 million (250.5) and gearing 57.4 percent (55.6).

JANUARY–SEPTEMBER HIGHLIGHTS

- Order intake EUR 1,498.6 million (1,546.3), -3.1 percent; Service -0.6 percent and Equipment -2.9 percent.
- Sales EUR 1,518.7 million (1,566.4), -3.0 percent; Service -0.6 percent and Equipment -4.6 percent.
- Operating profit excluding restructuring costs EUR 72.7 million (96.1), 4.8 percent of sales (6.1).
- Restructuring costs EUR 27.9 million (0.0).
- Operating profit EUR 44.8 million (96.1), 3.0 percent of sales (6.1).
- Earnings per share (diluted) EUR 0.47 (1.08).
- Net cash flow from operating activities EUR 40.6 million (73.6).

MARKET OUTLOOK

Leading macroeconomic indicators in Europe and China improved slightly in the third quarter of 2013. However, the growth in industrial production and container traffic is moderate and below the historical averages. The near-term investment outlook within manufacturing and process industries as well as container handling remains uncertain.

FINANCIAL GUIDANCE

Based on the order book and the near-term demand outlook, the year 2013 sales are expected to be slightly lower than in 2012. We expect the fourth quarter 2013 operating profit, excluding restructuring costs, to improve from the previous year. However, we expect the full-year 2013 operating profit excluding restructuring costs to be lower than in 2012.

KEY FIGURES

	Third quarter			January–September				
	7–9/2013	**7–9/2012**	**Change %**	**1–9/2013**	**1–9/2012**	**Change %**	**R12M**	**1–12/2012**
Orders received, MEUR	412.9	458.0	-9.9	1,498.6	1,546.3	-3.1	1,922.4	1,970.1
Order book at end of period, MEUR				1,018.9	1,085.1	-6.1		942.7
Sales total, MEUR	502.9	529.8	-5.1	1,518.7	1,566.4	-3.0	2,123.8	2,171.5
EBITDA excluding restructuring costs, MEUR	40.7	47.2	-13.9	102.3	126.8	-19.4	155.2	179.7
EBITDA excluding restructuring costs, %	8.1%	8.9%		6.7%	8.1%		7.3%	8.3%
Operating profit excluding restructuring costs, MEUR	32.4	37.0	-12.6	72.7	96.1	-24.4	114.9	138.3
Operating margin excluding restructuring costs, %	6.4%	7.0%		4.8%	6.1%		5.4%	6.4%
EBITDA, MEUR	33.1	47.2	-29.9	90.7	126.8	-28.5	140.7	176.8
EBITDA, %	6.6%	8.9%		6.0%	8.1%		6.6%	8.1%
Operating profit, MEUR	8.8	37.0	-76.3	44.8	96.1	-53.4	81.2	132.5
Operating margin, %	1.7%	7.0%		3.0%	6.1%		3.8%	6.1%
Profit before taxes, MEUR	8.3	37.1	-77.6	39.6	90.5	-56.2	73.3	124.2
Net profit for the period, MEUR	5.3	25.0	-78.7	27.3	62.5	-56.3	49.6	84.8
Earnings per share, basic, EUR	0.09	0.43	-79.1	0.47	1.08	-56.4	0.86	1.47
Earnings per share, diluted, EUR	0.09	0.43	-79.0	0.47	1.08	-56.3	0.86	1.46
Gearing, %				57.4%	55.6%			39.3%
Return on capital employed %, Rolling 12 Months (R12M)							11.1%	18.4%
Free cash flow, MEUR	28.9	26.1		2.2	30.4		73.4	101.6
Average number of personnel during the period				12,026	11,860	1.4		11,917

PRESIDENT AND CEO PEKKA LUNDMARK

"Our third quarter showed mixed signals. The declining cost base showing that our tight spending control is delivering results was positive. Project execution went according to plans. As a result, our operating profit before restructuring costs improved from the second quarter. Service's operating margin before restructuring costs of 9.6 percent was encouraging, and there is further potential for improvement. Equipment's corresponding operating margin of 5.1 percent was low, but much better than in the first half of the year. We expect the improvement of the operating profit to continue in the fourth quarter.

Our issue is now clearly the volume. When we made the decision to lower our cost base by EUR 30 million, the logic behind it was that we did not want to count on market growth to improve profitability. Third quarter order intake was soft, showing that this decision was the right one. Many purchasing managers' indexes have developed well in the last months, and should this trend continue it would most likely start to support our rather late cyclical demand. However, thus far these signs are only scattered at best and our customers' investment outlook remains uncertain.

In addition to taking care of our cost base, we continue to invest in the product development to further strengthen our competitiveness. We call our first key strategic initiative "Industrial Internet", which is making machines intelligent and aware of their own condition, and networking them to create a real-time visibility in terms of their safety and productivity. We have named the second strategic initiative "Emerging Markets Offering", and it is creating completely new product families for the new customer needs in the parts of the world that will represent a major share of the world's future industrial growth. Both initiatives are currently in the process of launching the first products to the market, and there is much more to come."

KONECRANES PLC INTERIM REPORT JANUARY–SEPTEMBER 2013

MARKET REVIEW

In January–September 2013, the U.S. economic data continued to be stronger than in the most of other regions. American factory output, measured by the purchasing managers' index, expanded almost throughout the first nine months of the year. The U.S. manufacturing capacity utilization rate was relatively stable compared with the previous year.

According to the PMI surveys, the Eurozone manufacturing activity was downbeat January–June, but expanded slightly in the third quarter. Correspondingly, the January–September manufacturing capacity utilization in the European Union declined on year-on-year basis, but improved slightly on sequential basis in the third quarter.

Purchasing managers' indexes in Brazil, Russia, India and China signaled expansion of the industrial output at the beginning of 2013, but the growth lost its momentum by the end of the first half. However, the Chinese data pointed again to a slow rise in manufacturing output in the third quarter. Overall, the world's manufacturing sector activity, according to the aggregated JPMorgan Global Manufacturing PMI, increased modestly in January–September, but remained below the long-run survey average.

Compared to the previous year, the demand for lifting equipment and lift trucks decreased on a global basis among industrial customers in January–September 2013. Demand remained on a weak level in Western Europe, China and India. In North America, demand for process cranes slumped after the solid progress in 2012. The demand development was positive in the Middle East.

The global container traffic grew by about 2 percent in the first six months of 2013. The project activity with container ports was satisfactory. The demand was robust for automated solutions that provide higher productivity and lower costs for large terminals. Geographically, the most active markets were North America, South East Asia, Australia, and Africa. Demand was sluggish in Europe. The demand for shipyard cranes continued to be concentrated in Brazil.

The demand for lifting equipment services was overall stable with the regional development reflecting the differences in manufacturing capacity utilization rates.

The trend in steel and copper prices remained downward in January–September 2013. After relatively stable development during the first half of the year, the EUR appreciated against the USD in the third quarter.

Note: Unless otherwise stated, the figures in brackets in the sections below refer to the same period in the previous year.

ORDERS RECEIVED

January–September orders received totaled EUR 1,498.6 million (1,546.3), representing a decrease of 3.1 percent compared to previous year. Orders received fell by 0.6 percent in Service and by 2.9 percent in Equipment compared to a year before. The decline in new orders was mainly attributable to negative currency changes. Orders received decreased in the Americas and EMEA regions, while they increased in Asia-Pacific mainly due to a large port crane order received from Indonesia in the first quarter. Acquisitions had an immaterial impact on the orders received in January–September.

Third-quarter order intake fell by 9.9 percent from a year before and totaled EUR 412.9 million (458.0). Order intake decreased in Service by 6.3 percent and by 8.8 percent in Equipment. Roughly a half of the order intake decline was explained by negative currency changes. Order intake was stable in the Americas, while it declined in EMEA and APAC.

ORDER BOOK

The value of the order book at end-September totaled EUR 1,018.9 million. The order book decreased by 6.1 percent from the last year's comparison figure of EUR 1,085.1 million and by 5.6 percent from end-June 2013 when it stood at EUR 1,079.4 million. Service accounted for EUR 169.9 million (17 percent) and Equipment for EUR 849.0 million (83 percent) of the total end-September order book.

SALES

Group sales in January–September decreased by 3.0 percent from the previous year and totaled EUR 1,518.7 million (1,566.4). Sales in Service fell by 0.6 percent and in Equipment by 4.6 percent. Acquisitions had an immaterial impact on sales in January–September.

Third-quarter sales declined by 5.1 percent from a year ago and totaled EUR 502.9 million (529.8). Sales decreased in Service by 1.7 percent and in Equipment by 6.3 percent.

At end-September, the regional breakdown calculated on a rolling 12 months basis was as follows: EMEA 47 (48), Americas 35 (32) and APAC 18 (20) percent.

NET SALES BY REGION, MEUR

	7–9/2013	7–9/2012	1–9/2013	1–9/2012	Change percent	Change % at comparable currency rates	R12M	1–12/2012
EMEA	232.1	254.3	713.4	754.3	-5.4	-4.7	1,002.8	1,043.7
AME	182.1	179.1	542.8	516.4	5.1	7.9	747.3	721.0
APAC	88.7	96.4	262.5	295.6	-11.2	-8.4	373.8	406.9
Total	**502.9**	**529.8**	**1,518.7**	**1,566.4**	**-3.0**	**-1.3**	**2,123.8**	**2,171.5**

CURRENCY RATE EFFECT

In a year-on-year comparison, the currency rates had a negative effect on the orders and sales in January–September. The reported order intake declined by 3.1 percent and by 1.2 percent at comparable currency rates. Reported sales fell by 3.0 percent and by 1.3 percent at comparable currency rates.

In January–September, the reported order intake in Service decreased by 0.6 percent, but increased by 1.8 percent at comparable currency rates. In Equipment, the reported order intake decreased by 2.9 percent and by 1.3 percent at comparable currency rates. In Service, the reported sales decreased by 0.6 percent, but increased by 1.9 percent at comparable currency rates. The corresponding figures in Equipment sales were -4.6 percent and -3.3 percent.

The currency rates continued to have a negative impact on the orders and sales in the third quarter in a year-on-year comparison. The reported order intake fell by 9.9 percent and by 5.5 percent at comparable currency rates. Reported sales declined by 5.1 percent and by 0.9 percent at comparable currency rates.

In the third quarter, the reported order intake in Service decreased by 6.3 percent and by 1.0 percent at comparable currency rates. In Equipment, the reported order intake decreased by 8.8 percent and by 4.9 percent at comparable currency rates. In Service, the reported sales decreased by 1.7 percent, but increased by 3.7 percent at comparable currency rates. The corresponding figures in Equipment sales were -6.3 percent and -2.8 percent.

FINANCIAL RESULT

The consolidated operating profit in January–September totaled EUR 44.8 million (96.1) decreasing in total by EUR 51.3 million. The consolidated operating margin fell to 3.0 percent (6.1). The operating profit includes restructuring costs of EUR 27.9 million (0.0), booked in the first and third quarter of 2013, of which EUR 10.8 million (0.0) related to the Business Area Service and EUR 15.5 million (0.0) to the Business Area Equipment. The operating margin in Service declined to 6.4 percent (7.9), whereas it declined in Equipment to 2.2 percent (6.0).

In addition to the restructuring costs, the January–September operating margin in Equipment was burdened by lower sales, adverse sales mix effects, and intense competitive situation. In addition, the Business Area Equipment's operating profit in the second quarter included costs and provisions of approximately EUR 8 million due to the execution issues of mainly heavy-duty industrial crane projects.

The consolidated operating profit in the third quarter totaled EUR 8.8 million (37.0). The consolidated operating margin in the third quarter fell to 1.7 percent (7.0). The operating profit includes restructuring costs of EUR 23.6 million (0.0), of which EUR 10.8 million (0.0) related to the Business Area Service and EUR 11.2 million (0.0) to the Business Area Equipment. The operating margin in Service declined to 4.6 percent (9.5) and in Equipment to 1.6 percent (6.4). In addition to the restructuring costs, the Equipment operating margin was affected by lower sales.

In January–September, the depreciation and impairments totaled EUR 45.8 million (30.8). The amortization arising from the purchase price allocations for acquisitions represented EUR 6.8 million of this (11.1). Goodwill of EUR 4.5 million (0.0) as well as intangible and tangible assets of EUR 11.7 million (0.0) were written off due to impairment related to the restructuring of operations.

In January–September, the share of the result of associated companies and joint ventures was EUR 2.9 million (2.3).

Net financial expenses totaled EUR 8.1 million (7.9). Net interest expenses were EUR 6.9 million (8.3) of this, and the remainder was mainly attributable to the unrealized exchange rate differences related to the hedging of future cash flows that are not included in the hedge accounting.

The January–September profit before taxes was EUR 39.6 million (90.5).

Income taxes in January–September were EUR -12.3 million (-28.0). The Group's estimated effective tax rate was 31.0 percent (30.9).

Net profit for January–September was EUR 27.3 million (62.5).

Diluted earnings per share for January–September were EUR 0.47 (1.08).

On a rolling twelve-month basis, the return on capital employed was 11.1 percent (18.4) and the return on equity 11.3 percent (19.9).

BALANCE SHEET

The consolidated balance sheet, which at end-September stood at EUR 1,502.1 million, was EUR 142.6 million less than on September 30, 2012 and EUR 36.7 million less than on June 30, 2013. Total equity at the end of the report period was EUR 429.1 million (450.8). On September 30, the total equity attributable to equity holders of the parent company was EUR 422.9 million (444.7) or EUR 7.32 per share (7.77).

Net working capital amounted to EUR 334.9 million at end-September representing a decrease of EUR 4.0 million from a year ago and a decrease of EUR 5.4 million from June 30, 2013.

CASH FLOW AND FINANCING

Net cash from operating activities in January–September was EUR 40.6 million (73.6) representing EUR 0.70 per diluted share (1.28). Net cash from operations in the third quarter was EUR 40.7 million (45.0).

Cash flow from capital expenditures amounted to EUR -39.5 million (-45.4). Cash flow from capital expenditures in the third quarter was to EUR -12.6 million (-19.1).

Cash flow before financing activities was EUR -9.6 million (25.6). Cash flow before financing activities in the third quarter was EUR 25.4 million (25.4).

On September 30, 2013, the interest-bearing net debt was EUR 246.3 million (250.5). Solidity was 33.2 percent (33.2) and gearing 57.4 percent (55.6).

The Group's liquidity remained healthy. At the end of the third quarter, cash and cash equivalents amounted to EUR 101.1 million (112.0). None of the Group's EUR 200 million committed back-up financing facility was in use at the end of the period.

CAPITAL EXPENDITURE

January–September capital expenditure, excluding acquisitions and joint arrangements, amounted to EUR 49.6 million (23.5). This amount consisted of investments in machinery, equipment, properties and information technology.

Most of the increase in capital expenditure is related to the new ERPs for both business areas for further development and implementation of harmonized processes, for increasing operational transparency and improving decision-making, as well as for reducing the overall IT system fragmentation. The first installations have been made, and most parts are expected to be completed within the next 2 years.

A new crane manufacturing plant in Jejuri near Pune, India, was taken into use during the first quarter of 2013. Total investment amounted to approximately EUR 15 million. All manufacturing operations in India will be consolidated into the new facility during 2013. In addition to India, the factory is well placed to serve the markets in Asia, Middle East, and Africa.

Capital expenditure including acquisitions and joint arrangements was EUR 60.0 million (25.1).

ACQUISITIONS AND DISPOSALS

Capital expenditure on acquisitions and joint arrangements was EUR 14.5 million (1.6). The net assets of the acquisitions were recorded at EUR 10.5 million. Goodwill booked from the acquisitions was insignificant.

In the first quarter, Konecranes acquired a crane service company in France.

In the second quarter, Konecranes closed the transaction on collaboration with the KION Group in the container handling lift truck business. Based on the collaboration agreement, Konecranes became a long-term supplier of the container handling lift trucks to the worldwide distribution network of Linde Material Handling, which is wholly owned by KION Group. In addition, Konecranes acquired certain assets from Linde Material Handling, including the product rights to container handling lift trucks. The transaction will increase the global competitiveness of Konecranes' container handling lift truck activities and will improve the economies of scale in R&D and manufacturing.

In the third quarter, Konecranes acquired approximately 30.5 percent of the shares in Estonian Konesko A/S whose main activity is manufacturing of electric motors. Prior to the acquisition, Konecranes held 19 percent of the shares in the company. Furthermore, Konecranes sold a small machine tool service business unit in Heilbronn, Germany, to the management of the unit.

PERSONNEL

In January–September, the Group employed an average of 12,026 people (11,860). On 30 September, the headcount was 11,934 (12,107). At end-September, the number of personnel by Business Area was as follows: Service 6,219 employees (6,114), Equipment 5,658 employees (5,936) and Group staff 57 (57). The Group had 6,287 employees (6,263) working in EMEA, 2,725 (2,653) in the Americas and 2,922 (3,191) in the APAC region.

Year-to-date, Group headcount decreased by 213 due to the restructuring programs. In January, Business Area Equipment announced restructuring actions affecting approximately 140 employees globally. In July, Konecranes expanded actions to improve efficiency and reduce costs. The considered actions are estimated to impact maximum 600 people through redundancies, temporary lay-offs, and early retirement by the end of 2014.

BUSINESS AREAS

SERVICE

	7–9/2013	7–9/2012	1–9/2013	1–9/2012	Change percent	R12M	1–12/2012
Orders received, MEUR	170.9	182.4	550.5	553.7	-0.6	731.8	735.0
Order book, MEUR	169.9	154.9	169.9	154.9	9.7		147.2
Contract base value, MEUR	183.2	182.1	183.2	182.1	0.6		177.9
Net sales, MEUR	215.2	218.9	641.4	645.0	-0.6	880.5	884.0
EBITDA, MEUR	20.2	23.9	59.1	60.0	-1.6	86.4	87.3
EBITDA, %	9.4%	10.9%	9.2%	9.3%		9.8%	9.9%
Depreciation and amortization, MEUR	-3.8	-3.2	-11.3	-9.2	22.4	-14.8	-12.7
Impairments, MEUR	-6.5	0.0	-6.5	0.0		-6.5	0.0
Operating profit (EBIT), MEUR	9.9	20.8	41.3	50.8	-18.8	65.1	74.6
Operating profit (EBIT), %	4.6%	9.5%	6.4%	7.9%		7.4%	8.4%
Restructuring costs, MEUR	-10.8	0.0	-10.8	0.0		-10.8	0.0
Operating profit (EBIT) excluding restructuring costs, MEUR	20.7	20.8	52.0	50.8	2.4	75.8	74.6
Operating profit (EBIT) excluding restructuring costs, %	9.6%	9.5%	8.1%	7.9%		8.6%	8.4%
Capital employed, MEUR	194.3	196.4	194.3	196.4	-1.1		166.6
ROCE%						33.3%	41.8%
Capital expenditure, MEUR	7.1	2.0	18.8	7.0	167.5	24.3	12.5
Personnel at the end of period	6,219	6,114	6,219	6,114	1.7		6,119

January–September orders received totaled EUR 550.5 million (553.7) showing a decrease of 0.6 percent. However, at constant currencies, order received grew by 1.8 percent. New orders grew in the Americas while they remained stable in EMEA. Orders received declined in Asia-Pacific. Orders in Crane Service and Parts business units grew from the previous year's level. The order book increased by 9.7 percent to EUR 169.9 million (154.9) from a year before, but declined by 4.4 percent from end-June 2013.

Sales decreased by 0.6 percent to EUR 641.4 million (645.0). However, at constant currencies, sales grew by 1.9 percent. The operating profit, excluding restructuring costs of EUR 10.8 million (0.0) booked in the third quarter, was EUR 52.0 million (50.8) and the operating margin 8.1 percent (7.9). Operating profit including restructuring costs was EUR 41.3 million (50.8) and the operating margin 6.4 percent (7.9).

The third quarter order intake decreased by 6.3 percent and totaled EUR 170.9 million (182.4). Order intake decline was almost entirely attributable to negative currency changes. New orders grew in EMEA whereas they declined in AME and APAC. Order intake in Crane Service and Parts business units decreased from the previous year, but they grew at constant currencies.

Third quarter sales totaled EUR 215.2 million (218.9) and were 1.7 percent lower than a year ago. However, at constant currencies, sales grew by 3.7 percent. Operating profit excluding restructuring costs of EUR 10.8 million (0.0) was EUR 20.7 million (20.8) and the operating margin 9.6 percent (9.5). Operating profit including restructuring costs was EUR 9.9 million (20.8) and the operating margin 4.6 percent (9.5).

The total number of equipment included in the maintenance contract base increased to 438,470 at end-September from 422,856 a year before and from 434,219 at end-June 2013. The annual value of the contract base amounted to EUR 183.2 million compared to 182.1 MEUR a year ago and 185.1 MEUR at end-June, 2013. Negative currency changes affected the contract base value by approximately 4 percent year-on-year.

The number of service technicians at end-September was 4,014, which is 73 or 1.9 percent more than at the end of September 2012.

EQUIPMENT

	7–9/2013	7–9/2012	1–9/2013	1–9/2012	Change percent	R12M	1–12/2012
Orders received, MEUR	276.6	303.2	1,039.3	1,070.6	-2.9	1,309.1	1,340.4
Order book, MEUR	849.0	930.2	849.0	930.2	-8.7		795.6
Net sales, MEUR	320.3	341.6	964.3	1,011.1	-4.6	1,366.0	1,412.7
EBITDA, MEUR	18.9	28.9	49.3	81.9	-39.8	77.1	109.7
EBITDA, %	5.9%	8.5%	5.1%	8.1%		5.6%	7.8%
Depreciation and amortization, MEUR	-4.3	-7.0	-18.0	-21.3	-15.5	-25.1	-28.4
Impairments, MEUR	-9.5	0.0	-9.7	0.0		-12.6	-2.9
Operating profit (EBIT), MEUR	5.1	21.9	21.6	60.6	-64.4	39.4	78.4
Operating profit (EBIT), %	1.6%	6.4%	2.2%	6.0%		2.9%	5.5%
Restructuring costs, MEUR	-11.2	0.0	-15.5	0.0		-21.2	-5.8
Operating profit (EBIT) excluding restructuring costs, MEUR	16.3	21.9	37.1	60.6	-38.8	60.6	84.2
Operating profit (EBIT) excluding restructuring costs, %	5.1%	6.4%	3.8%	6.0%		4.4%	6.0%
Capital employed, MEUR	392.5	459.1	392.5	459.1	-14.5		406.2
ROCE%						9.2%	18.8%
Capital expenditure, MEUR	8.7	4.4	30.8	16.5	86.6	43.4	29.1
Personnel at the end of period	5,658	5,936	5,658	5,936	-4.7		5,973

January–September orders received totaled EUR 1,039.3 million (1,070.6) showing a decrease of 2.9 percent. Orders grew in Asia-Pacific due to a large port crane order received from Indonesia in the first quarter, but they fell in the Americas and EMEA. Orders for industrial cranes accounted to approximately 35 percent of the orders received and were lower than a year ago. Components and light lifting systems generated approximately 30 percent of the new orders and were at a last year's level. The combined orders for port cranes and lift trucks amounted to approximately 35 percent of the orders received and were higher than a year ago.

The order book decreased by 8.7 percent to EUR 849.0 million (930.2) from a year before and was 5.8 percent lower than the end-June 2013. Sales fell by 4.6 percent to EUR 964.3 million (1,011.1). The operating profit, excluding restructuring costs of EUR 15.5 million (0.0) booked in the first and third quarters, was EUR 37.1 million (60.6) and the operating margin 3.8 percent (6.0). Operating profit including restructuring costs was EUR 21.6 million (60.3) and 2.2 percent of the sales (6.0). The Equipment operating margin excluding restructuring costs fell due the lower sales, adverse sales mix effects and intense competitive situation. In addition, the Business Area Equipment's operating profit in the second quarter included costs and provisions of approximately EUR 8 million due to the execution issues of mainly heavy-duty industrial crane projects.

The third quarter order intake declined by 8.8 percent and totaled EUR 276.6 million (303.2). Orders received rose in the Americas but fell in EMEA and APAC. The development of Port Cranes had the most positive outcome, whereas orders fell the most in Industrial Cranes.

The third-quarter sales totaled EUR 320.3 million (341.6) and were 6.3 percent lower than a year ago. The operating profit, excluding restructuring costs of EUR 11.2 million (0.0), was EUR 16.3 million (21.9) and the operating margin 5.1 percent (6.4). Third-quarter operating profit including restructuring costs was EUR 5.1 million (21.9), and the operating margin 1.6 percent (6.4). The Equipment operating margin excluding restructuring costs fell due to the lower sales.

Group Overheads

Unallocated Group overhead costs and eliminations were EUR –18.0 million (–15.3) in the reporting period representing 1.2 percent of sales (1.0). These included restructuring costs of EUR 1.6 million (0.0).

ADMINISTRATION

The resolutions of the Konecranes Annual General Meeting and the organizing meeting of the Board of Directors have been published in the stock exchange releases dated March 21, 2013.

SHARE CAPITAL AND SHARES

The company's registered share capital on September 30, 2013 totaled EUR 30.1 million. On September 30, 2013, the number of shares including treasury shares totaled 63,272,342.

On September 30, 2013, Konecranes Plc was in the possession of 5,466,512 own shares, which corresponds to 8.6 percent of the total number of shares, and which had a market value of EUR 136.1 million on that date.

All shares carry one vote per share and equal rights to dividends.

SHARES SUBSCRIBED FOR UNDER STOCK OPTION RIGHTS

In January–September, 514,520 treasury shares were transferred to the subscribers, pursuant to the Konecranes Plc's stock options 2009A and 2009B.

At end-September 2013, Konecranes Plc's stock options 2009 entitled the holders to subscribe to a total of 1,515,141 shares. The option programs include approximately 200 company's key persons.

The terms and conditions of the stock option programs are available on Konecranes' website at www.Konecranes.com.

MARKET CAPITALIZATION AND TRADING VOLUME

The closing price for Konecranes Plc's shares on the NASDAQ OMX Helsinki was EUR 24.89 on September 30, 2013. The volume-weighted average share price in January–September was EUR 25.46, the highest price being EUR 28.89 in February and the lowest EUR 20.45 in June. In January–September, the trading volume on the NASDAQ OMX Helsinki totaled 42.8 million Konecranes Plc shares corresponding to a turnover of approximately EUR 1,089.1 million. The average daily trading volume was 226,359 shares representing an average daily turnover of EUR 5.8 million.

In addition, according to Fidessa, approximately 44.4 million Konecranes' shares were traded on other trading venues (e.g. multilateral trading facilities and bilateral OTC trades) in January–September 2013.

On September 30, 2013, the total market capitalization of Konecranes Plc's shares was EUR 1,575 million including treasury shares. The market capitalization was EUR 1,439 million excluding treasury shares.

EVENTS AFTER THE END OF THE REPORTING PERIOD

On October 14, Konecranes lowered its full-year 2013 financial guidance and released preliminary third quarter 2013 figures due to the weaker than expected order intake and unfavourable currency development.

In October, 4,500 treasury shares were transferred to the subscribers pursuant to the Konecranes Plc's stock options 2009A. After the subscription and delivery of the shares, Konecranes Plc holds 5,462,012 treasury shares. Stock options issued under Konecranes Plc's ongoing stock option plans entitle their holders to subscribe for a total of 1,510,641 shares.

RISKS AND UNCERTAINTIES

Principal short-term risks and uncertainties of the Group derive from a potential renewed downturn in the world economy due, for example, to the sovereign credit crisis. A decrease in the demand for Konecranes' products and services may have a negative effect on the Group's pricing power and may result in a decrease in profits, possible impairment of goodwill and other assets, or in inventory obsolescence.

A renewed shortage of credit may cause difficulties for Konecranes' customers, suppliers, and financial and other counterparties. The risk may be realized as a shortage of supplies or defaulting liabilities. A significant share of Konecranes' business is derived from the emerging markets. This has had a negative impact on the aging structure of accounts receivable, and may increase the need for higher provisions for doubtful accounts.

Challenges in financing may force customers to postpone projects or even to cancel existing orders. Konecranes intends to avoid incurring costs of major projects under construction in excess of advance payments. However, it is possible that in some projects cost-related commitments may temporarily exceed the amount of advance payments.

Group's other risks have remained unchanged and the pivotal risks are presented in the Annual Report 2012.

MARKET OUTLOOK

Leading macroeconomic indicators in Europe and China improved slightly in the third quarter of 2013. However, the growth in industrial production and container traffic is moderate and below the historical averages. The near-term investment outlook within manufacturing and process industries as well as container handling remains uncertain.

FINANCIAL GUIDANCE

Based on the order book and the near-term demand outlook, the year 2013 sales are expected to be slightly lower than in 2012. We expect the fourth quarter 2013 operating profit, excluding restructuring costs, to improve from the previous year. However, we expect the full-year 2013 operating profit, excluding restructuring costs, to be lower than in 2012.

Helsinki, October 23, 2013
Konecranes Plc
Board of Directors

Disclaimer

It should be noted that certain statements in this report, which are not historical facts, including, without limitation, those regarding

- expectations for general economic development and market situation,
- expectations for general developments in the industry,
- expectations regarding customer industry profitability and investment willingness,
- expectations for company growth, development and profitability,
- expectations regarding market demand for the company's products and services,
- expectations regarding the successful completion of acquisitions on a timely basis and our ability to achieve the set targets and synergies,
- expectations regarding competitive conditions,
- expectations regarding cost savings,
- and statements preceded by "believes," "expects," "anticipates," "foresees" or similar expressions, are forward-looking statements. These statements are based on current expectations, decisions and plans, and currently known facts. Therefore, they involve risks and uncertainties, which may cause the actual results to materially differ from the results currently expected by the company. Such factors include, but are not limited to,
- general economic conditions, including fluctuations in exchange rates and interest levels,
- the competitive situation, especially significant products or services developed by our competitors,
- industry conditions,
- the company's own operating factors including the success of production, product development, project management, quality, and timely delivery of our products and services and their continuous development,
- the success of pending and future acquisitions and restructurings.

SUMMARY FINANCIAL STATEMENTS AND NOTES

Accounting principles

The presented financial information is prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the EU.

The introduction of IFRS 11 reclassified one company as joint operation and did not have material impact on financial statements. The standard is adopted retroactively. IFRS 11 uses the principle of control as described in IFRS 10 to define joint control. Joint Arrangements are classified into Joint Operations and Joint Ventures. In Joint Operations the parties with joint control have rights to the assets and obligations for the liabilities of the arrangement. Joint Operations are accounted for showing each party's interest in the assets, liabilities, revenues and expenses and / or its relative share of jointly controlled assets, liabilities, revenue and expense, if any. In Joint Ventures the parties with joint control have rights to the net assets of the arrangement. Joint Ventures are accounted for using the equity method.

In 2012 the change increased sales by EUR 1.3 million, depreciation by EUR 0.8 million, other operating expenses by EUR 0,1 million, operating profit by EUR 0.4 million and net profit by EUR 0.1 million. In balance sheet the change mainly increased the retained earnings of 2012 by EUR 2.6 million (EUR 2.4 million in 2011), and increased the short term liabilities by EUR 9.8 million, fixed assets by EUR 5.5 million and inventories by 7.0 million. Prior periods are restated in the Group and in the Equipment business segment.

The figures presented in the tables below have been rounded to one decimal, which should be taken into account when reading the sum figures.

The numbers stated in this bulletin have not been subject to audit.

CONSOLIDATED STATEMENT OF INCOME

EUR million	7–9/2013	7–9/2012	1–9/2013	1–9/2012	Change %	1–12/2012
Sales	**502.9**	**529.8**	**1,518.7**	**1,566.4**	**-3.0**	**2,171.5**
Other operating income	0.3	0.3	1.4	1.6		2.3
Depreciation and impairments	-24.3	-10.2	-45.8	-30.8		-44.4
Other operating expenses	-470.2	-483.0	-1,429.5	-1,441.2		-1,996.9
Operating profit	**8.8**	**37.0**	**44.8**	**96.1**	**-53.4**	**132.5**
Share of associates' and joint ventures' result	0.6	0.1	2.9	2.3		3.8
Financial income and expenses	-1.1	0.0	-8.1	-7.9		-12.1
Profit before taxes	**8.3**	**37.1**	**39.6**	**90.5**	**-56.2**	**124.2**
Taxes	-2.9	-12.0	-12.3	-28.0		-39.4
NET PROFIT FOR THE PERIOD	**5.3**	**25.0**	**27.3**	**62.5**	**-56.3**	**84.8**
Net profit for the period attributable to:						
Shareholders of the parent company	5.3	24.9	27.2	61.9		84.2
Non-controlling interest	0.1	0.2	0.1	0.6		0.7
Earnings per share, basic (EUR)	0.09	0.43	0.47	1.08	-56.4	1.47
Earnings per share, diluted (EUR)	0.09	0.43	0.47	1.08	-56.3	1.46

Consolidated statement of comprehensive income

EUR million	7–9/2013	7–9/2012	1–9/2013	1–9/2012		1–12/2012
Net profit for the period	**5.3**	**25.0**	**27.3**	**62.5**		**84.8**
Items that can be reclassified into profit or loss						
Cash flow hedges	4.6	-1.0	4.6	-0.8		2.0
Exchange differences on translating foreign operations	-9.7	-2.7	-13.5	5.1		-1.1
Income tax relating to items that can be reclassified into profit or loss	-1.1	0.2	-1.1	0.2		-0.5
Items that cannot be reclassified into profit or loss						
Actuarial gains and losses (IAS 19)	0.8	0.2	0.8	-0.7		-11.7
Income tax relating to items that cannot be reclassified into profit or loss	-0.2	0.0	-0.2	0.0		3.1
Other comprehensive income for the period, net of tax	**-5.6**	**-3.4**	**-9.4**	**3.7**		**-8.1**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-0.3**	**21.7**	**17.9**	**66.2**		**76.7**
Total comprehensive income attributable to:						
Shareholders of the parent company	-0.1	21.6	17.8	65.6		76.1
Non-controlling interest	-0.1	0.1	0.1	0.6		0.6

CONSOLIDATED BALANCE SHEET

EUR million

ASSETS	30.9.2013	30.9.2012	31.12.2012
Non-current assets			
Goodwill	102.3	116.2	112.8
Intangible assets	89.8	73.9	76.6
Property, plant and equipment	138.7	137.2	138.7
Advance payments and construction in progress	46.1	61.9	57.6
Investments accounted for using the equity method	39.9	36.3	37.5
Available-for-sale investments	1.0	0.9	0.9
Long-term loans receivable	0.2	0.2	0.2
Deferred tax assets	58.2	51.5	53.8
Total non-current assets	**476.2**	**478.1**	**478.2**
Current assets			
Inventories			
Raw material and semi-manufactured goods	156.8	172.0	167.1
Work in progress	183.3	227.2	180.7
Advance payments	28.4	20.7	22.0
Total inventories	368.5	420.0	369.8
Accounts receivable	373.7	482.3	442.1
Loans receivable	0.0	0.1	0.1
Other receivables	24.6	25.7	29.2
Current tax assets	20.4	13.1	11.3
Deferred assets	137.6	113.5	100.2
Cash and cash equivalents	101.1	112.0	145.3
Total current assets	**1,025.8**	**1,166.6**	**1,098.1**
TOTAL ASSETS	**1,502.1**	**1,644.7**	**1,576.3**

CONSOLIDATED BALANCE SHEET

EUR million

EQUITY AND LIABILITIES	30.9.2013	30.9.2012	31.12.2012
Equity attributable to equity holders of the parent company			
Share capital	30.1	30.1	30.1
Share premium account	39.3	39.3	39.3
Fair value reserves	2.0	-3.5	-1.4
Translation difference	-11.0	8.6	2.5
Paid in capital	50.7	44.3	44.8
Retained earnings	284.6	264.0	257.1
Net profit for the period	27.2	61.9	84.2
Total equity attributable to equity holders of the parent company	**422.9**	**444.7**	**456.5**
Non-controlling interest	6.2	6.1	6.2
Total equity	**429.1**	**450.8**	**462.6**
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	137.9	206.2	205.7
Other long-term liabilities	77.3	64.0	75.2
Deferred tax liabilities	19.8	24.2	22.3
Total non-current liabilities	**235.0**	**294.4**	**303.2**
Provisions	**45.8**	**48.3**	**44.5**
Current liabilities			
Interest-bearing liabilities	209.7	156.6	121.8
Advance payments received	210.2	286.5	217.2
Progress billings	0.8	1.4	2.5
Accounts payable	133.9	147.1	157.4
Other short-term liabilities (non-interest bearing)	23.4	30.6	30.2
Current tax liabilities	14.3	14.6	21.1
Accruals	199.7	214.5	215.9
Total current liabilities	**792.1**	**851.3**	**766.0**
Total liabilities	**1,072.9**	**1,193.9**	**1,113.6**
TOTAL EQUITY AND LIABILITIES	**1,502.1**	**1,644.7**	**1,576.3**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Equity attributable to equity holders of the parent company Share capital	 Share premium account	 Cash flow hedges	 Translation difference
Balance at 1 January, 2013	**30.1**	**39.3**	**-1.4**	**2.5**
Options exercised				
Dividends paid to equity holders				
Share based payments recognized against equity				
Total comprehensive income			3.4	-13.5
Balance at 30 September, 2013	**30.1**	**39.3**	**2.0**	**-11.0**
Balance at 1 January, 2012 reported	**30.1**	**39.3**	**-2.9**	**3.5**
Changes in accounting principles (IFRS 11)				
Balance at 1 January, 2012 restated	**30.1**	**39.3**	**-2.9**	**3.5**
Options exercised				
Dividends paid to equity holders				
Share based payments recognized against equity				
Total comprehensive income			-0.6	5.1
Balance at 30 September, 2012	**30.1**	**39.3**	**-3.5**	**8.6**

EUR million	Equity attributable to equity holders of the parent company Paid in capital	 Retained earnings	 Total	Non-controlling interest	Total equity
Balance at 1 January, 2013	**44.8**	**341.2**	**456.5**	**6.2**	**462.6**
Options exercised	5.9		5.9		**5.9**
Dividends paid to equity holders		-60.6	-60.6		**-60.6**
Share based payments recognized against equity		2.8	2.8		**2.8**
Acquisitions		0.5	0.5		**0.5**
Total comprehensive income		27.8	17.8	0.1	**17.9**
Balance at 30 September, 2013	**50.7**	**311.7**	**422.9**	**6.2**	**429.1**
Balance at 1 January, 2012 reported	**43.7**	**316.2**	**429.9**	**5.5**	**435.4**
Changes in accounting principles (IFRS 11)		2.4	2.4		**2.4**
Balance at 1 January, 2012 restated	**43.7**	**318.7**	**432.3**	**5.5**	**437.8**
Options exercised	0.6	0.0	0.6		**0.6**
Dividends paid to equity holders		-57.2	-57.2		**-57.2**
Share based payments recognized against equity		3.4	3.4		**3.4**
Acquisitions		-0.1	-0.1		**-0.1**
Total comprehensive income		61.1	65.6	0.6	**66.2**
Balance at 30 September, 2012	**44.3**	**325.9**	**444.7**	**6.1**	**450.8**

CONSOLIDATED CASH FLOW STATEMENT

EUR million	1–9/2013	1–9/2012	1–12/2012
Cash flow from operating activities			
Net income	27.3	62.5	84.8
Adjustments to net income			
Taxes	12.3	28.0	39.4
Financial income and expenses	8.1	8.0	12.1
Share of associates' and joint ventures' result	-2.9	-2.3	-3.8
Dividend income	0.0	-0.1	-0.1
Depreciation and impairments	45.8	30.8	44.4
Profits and losses on sale of fixed assets	0.9	-0.1	-0.1
Other adjustments	2.7	2.0	3.5
Operating income before change in net working capital	**94.3**	**128.8**	**180.2**
Change in interest-free short-term receivables	18.6	-46.7	-4.9
Change in inventories	-5.6	-65.1	-19.3
Change in interest-free short-term liabilities	-22.0	100.6	52.4
Change in net working capital	**-8.9**	**-11.2**	**28.2**
Cash flow from operations before financing items and taxes	**85.4**	**117.6**	**208.4**
Interest received	2.5	4.4	5.9
Interest paid	-9.8	-11.2	-15.1
Other financial income and expenses	0.3	-7.1	-5.4
Income taxes paid	-37.7	-30.1	-35.2
Financing items and taxes	**-44.7**	**-43.9**	**-49.8**
NET CASH FROM OPERATING ACTIVITIES	**40.6**	**73.6**	**158.6**
Cash flow from investing activities			
Acquisition of Group companies, net of cash	-8.3	-5.1	-7.1
Acquisition of shares in joint arrangements, net of cash	-3.5	0.0	0.0
Capital expenditures	-39.5	-45.4	-59.3
Proceeds from sale of fixed assets	1.1	2.2	2.4
Dividends received	0.0	0.2	0.2
NET CASH USED IN INVESTING ACTIVITIES	**-50.3**	**-48.1**	**-63.8**
Cash flow before financing activities	**-9.6**	**25.6**	**94.7**
Cash flow from financing activities			
Proceeds from options exercised and share issues	5.9	0.6	1.1
Proceeds from long-term borrowings	10.3	77.2	79.8
Proceeds from (+), payments of (-) short-term borrowings	14.3	-9.1	-46.9
Change in short-term receivables	0.1	0.3	0.3
Dividends paid to equity holders of the parent	-60.6	-57.2	-57.2
NET CASH USED IN FINANCING ACTIVITIES	**-30.1**	**11.8**	**-22.9**
Translation differences in cash	-4.5	1.2	0.0
CHANGE OF CASH AND CASH EQUIVALENTS	**-44.3**	**38.5**	**71.8**
Cash and cash equivalents at beginning of period	145.3	73.5	73.5
Cash and cash equivalents at end of period	101.1	112.0	145.3
CHANGE OF CASH AND CASH EQUIVALENTS	**-44.3**	**38.5**	**71.8**

The effect of changes in exchange rates has been eliminated by converting the beginning balance at the rates current on the last day of the reporting period.

FREE CASH FLOW

EUR million	1–9/2013	1–9/2012	1–12/2012
Net cash from operating activities	40.6	73.6	158.6
Capital expenditures	-39.5	-45.4	-59.3
Proceeds from sale of fixed assets	1.1	2.2	2.4
Free cash flow	**2.2**	**30.4**	**101.6**

SEGMENT INFORMATION

1. BUSINESS SEGMENTS

EUR million

Orders received by Business Area	1–9/2013	% of total	1–9/2012	% of total	1–12/2012	% of total
Service [1]	550.5	35	553.7	34	735.0	35
Equipment	1,039.3	65	1,070.6	66	1,340.4	65
./. Internal	-91.2		-78.0		-105.2	
Total	**1,498.6**	**100**	**1,546.3**	**100**	**1,970.1**	**100**

[1] *Excl. Service Contract Base*

Order book total [2]	30.9.2013	% of total	30.9.2012	% of total	31.12.2012	% of total
Service	169.9	17	154.9	14	147.2	16
Equipment	849.0	83	930.2	86	795.6	84
./. Internal	0.0		0.0		0.0	
Total	**1,018.9**	**100**	**1,085.1**	**100**	**942.7**	**100**

[2] *Percentage of completion deducted*

Sales by Business Area	1–9/2013	% of total	1–9/2012	% of total	1–12/2012	% of total
Service	641.4	40	645.0	39	884.0	38
Equipment	964.3	60	1,011.1	61	1,412.7	62
./. Internal	-87.1		-89.8		-125.3	
Total	**1,518.7**	**100**	**1,566.4**	**100**	**2,171.5**	**100**

Operating profit (EBIT) by Business Area excluding restructuring costs	1–9/2013 MEUR	EBIT %	1–9/2012 MEUR	EBIT %	1–12/2012 MEUR	EBIT %
Service	52.0	8.1	50.8	7.9	74.6	8.4
Equipment	37.1	3.8	60.6	6.0	84.2	6.0
Group costs and eliminations	-16.4		-15.3		-20.5	
Total	**72.7**	**4.8**	**96.1**	**6.1**	**138.3**	**6.4**

Operating profit (EBIT) by Business Area including restructuring costs	1–9/2013 MEUR	EBIT %	1–9/2012 MEUR	EBIT %	1–12/2012 MEUR	EBIT %
Service	41.3	6.4	50.8	7.9	74.6	8.4
Equipment	21.6	2.2	60.6	6.0	78.4	5.5
Group costs and eliminations	-18.0		-15.3		-20.5	
Total	**44.8**	**3.0**	**96.1**	**6.1**	**132.5**	**6.1**

SEGMENT INFORMATION

Capital Employed and ROCE%	30.9.2013 MEUR		30.9.2012 MEUR		31.12.2012 MEUR	ROCE %
Service	194.3		196.4		166.6	41.8
Equipment	392.5		461.7		408.8	18.8
Unallocated Capital Employed	190.0		155.4		214.5	
Total	**776.7**		**813.5**		**789.9**	**18.4**

Business segment assets	30.9.2013 MEUR		30.9.2012 MEUR		31.12.2012 MEUR	
Service	367.8		368.2		353.6	
Equipment	890.2		966.2		910.1	
Unallocated items	244.1		310.3		312.6	
Total	**1,502.1**		**1,644.7**		**1,576.3**	

Business segment liabilities	30.9.2013 MEUR		30.9.2012 MEUR		31.12.2012 MEUR	
Service	173.5		171.8		187.0	
Equipment	497.7		504.5		501.3	
Unallocated items	401.7		517.5		425.3	
Total	**1,072.9**		**1,193.8**		**1,113.6**	

Personnel by Business Area (at the end of the period)	30.9.2013	% of total	30.9.2012	% of total	31.12.2012	% of total
Service	6,219	52	6,114	50	6,119	50
Equipment	5,658	47	5,936	49	5,973	49
Group staff	57	0	57	0	55	0
Total	**11,934**	**100**	**12,107**	**100**	**12,147**	**100**

2. GEOGRAPHICAL SEGMENTS

EUR million

Sales by market	1–9/2013	% of total	1–9/2012	% of total	1–12/2012	% of total
Europe-Middle East-Africa (EMEA)	713.4	47	754.3	48	1,043.7	48
Americas (AME)	542.8	36	516.4	33	721.0	33
Asia-Pacific (APAC)	262.5	17	295.6	19	406.9	19
Total	**1,518.7**	**100**	**1,566.4**	**100**	**2,171.5**	**100**

Personnel by region (at the end of the period)	30.9.2013	% of total	30.9.2012	% of total	31.12.2012	% of total
Europe-Middle East-Africa (EMEA)	6,287	53	6,263	52	6,269	52
Americas (AME)	2,725	23	2,653	22	2,724	22
Asia-Pacific (APAC)	2,922	24	3,191	26	3,154	26
Total	**11,934**	**100**	**12,107**	**100**	**12,147**	**100**

NOTES

KEY FIGURES	30.9.2013	30.9.2012	Change %	31.12.2012
Earnings per share, basic (EUR)	0.47	1.08	-56.4	1.47
Earnings per share, diluted (EUR)	0.47	1.08	-56.3	1.46
Return on capital employed %, Rolling 12 Months (R12M)	11.1	18.4	-39.7	18.4
Return on equity %, Rolling 12 Months (R12M)	11.3	19.9	-43.2	18.8
Equity per share (EUR)	7.32	7.77	-5.8	7.97
Current ratio	1.2	1.3	-7.7	1.4
Gearing %	57.4	55.6	3.2	39.3
Solidity %	33.2	33.2	0.0	34.0
EBITDA, EUR million	90.7	126.8	-28.5	176.8
Investments total (excl. acquisitions), EUR million	49.6	23.5	110.7	41.7
Interest-bearing net debt, EUR million	246.3	250.5	-1.7	181.8
Net working capital, EUR million	334.9	339.0	-1.2	295.5
Average number of personnel during the period	12,026	11,860	1.4	11,917
Average number of shares outstanding, basic	57,640,419	57,216,307	0.7	57,227,652
Average number of shares outstanding, diluted	57,848,819	57,510,240	0.6	57,516,909
Number of shares outstanding	57,805,830	57,253,721	1.0	57,291,310

Interest-bearing net debt: Interest-bearing liabilities (non current and current) - cash and cash equivalents - loans receivable (non current and current)

Net working capital: Non interest-bearing current assets + deferred tax assets - Non interest-bearing current liabilities - deferred tax liabilities - provisions

NOTES

The period end exchange rates*:	27.9.2013	28.9.2012	Change %	31.12.2012
USD - US dollar	1.354	1.293	-4.5	1.319
CAD - Canadian dollar	1.397	1.268	-9.2	1.314
GBP - Pound sterling	0.840	0.798	-5.0	0.816
CNY - Chinese yuan	8.283	8.126	-1.9	8.221
SGD - Singapore dollar	1.699	1.585	-6.7	1.611
SEK - Swedish krona	8.686	8.450	-2.7	8.582
NOK - Norwegian krone	8.103	7.370	-9.1	7.348
AUD - Australian dollar	1.454	1.240	-14.8	1.271

The period average exchange rates*:	27.9.2013	28.9.2012	Change %	31.12.2012
USD - US dollar	1.317	1.281	-2.7	1.285
CAD - Canadian dollar	1.348	1.284	-4.8	1.284
GBP - Pound sterling	0.852	0.812	-4.7	0.811
CNY - Chinese yuan	8.122	8.107	-0.2	8.106
SGD - Singapore dollar	1.649	1.612	-2.2	1.605
SEK - Swedish krona	8.582	8.728	1.7	8.702
NOK - Norwegian krone	7.659	7.510	-1.9	7.475
AUD - Australian dollar	1.347	1.238	-8.1	1.240

**Konecranes applies a weekly calendar in its financial reporting. The presented exchange rates are determined by rates on the last Friday of the period.*

CONTINGENT LIABILITIES AND PLEDGED ASSETS

EUR million	30.9.2013	30.9.2012	31.12.2012
For own commercial obligations			
Guarantees	359.3	381.6	349.5
Leasing liabilities			
Next year	31.8	32.4	33.0
Later on	58.1	69.5	68.8
Other	1.7	0.0	1.4
Total	**451.0**	**483.6**	**452.6**

Leasing contracts comply with normal practices in the countries concerned.

Contingent liabilities relating to litigation

Various legal actions, claims and other proceedings are pending against the Group in various countries. These actions, claims and other proceedings are typical for this industry and consistent with a global business offering that encompasses a wide range of products and services. These matters involve contractual disputes, warranty claims, product liability (including design defects, manufacturing defects, failure to warn and asbestos legacy), employment, vehicles and other matters involving claims of general liability.

While the final outcome of these matters cannot be predicted with certainty Konecranes is of the opinion, based on the information available to date and considering the grounds presented for such claims, the available insurance coverage and the reserves made, that the outcome of such actions, claims and other proceedings, if unfavorable, would not have a material, adverse impact on the financial condition of the Group.

NOTES

IMPAIRMENTS

Restructuring actions and closure of certain parts of business units have lead to additional impairment testing in two business units: Port Service and Light Lifting, which includes 2012 tested CGU Suomen Teollisuusosa and CGU Konecranes Light Lifting. As a result of the testing total of EUR 4.5 million of Goodwill was written off (Business Unit Port Service EUR 3.5 million and Business Unit Ligth Lifting EUR 1.0 million). At the same time Intangible Assets (mainly customer relations and technology in India, Austria and Morocco) were written of due to impairment by EUR 10.9 million and tangible assets by EUR 0.8 million. The regular annual impairment testing takes place in Q4/2013.

FINANCIAL INSTRUMENTS

IFRS 7 requires that the classification of financial instruments at fair value be determined by reference to the source of inputs used to derive the fair value. This classification uses the following three-level hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the financial instrument, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 – inputs for the financial instrument that are not based on observable market data (unobservable inputs)

Classification of financial instruments within the IFRS 7 fair value hierarchy: level 2 for all values as at 30 September 2013. There were no changes for classification within the fair value hierarchy.

Derivatives are initially recorded in the balance sheet at fair value and subsequently measured at fair value at each balance sheet date. All derivatives are carried as assets when fair value is positive and liabilities when fair value is negative. Derivative instruments that are not designated as hedges (hedge accounting) are measured at fair value, and the change in fair value is recognized in the consolidated statement of income. When the derivative is designated as a hedge (hedge accounting) the effective part of the change in fair value is recognized in other comprehensive income. Any ineffective part is recognized in the consolidated statement of income. The foreign exchange forward contracts are measured based on closing date's observable spot exchange rates and the quoted yield curves of the respective currencies. Interest rate swaps are measured based on present value of the cash flows, which are discounted based on the quoted yield curves.

NOTES

CARRYING AMOUNT OF FINANCIAL ASSETS AND LIABILITIES IN THE BALANCE SHEET

EUR million Financial assets	Financial assets/ liabilities at fair value through income statement	Loans and receivables	Available-for-sale financial assets	Financial assets/ liabilities measured at amortized cost	Total carrying amounts by balance sheet item	Total Fair value
Non-current financial assets						
Long-term interest-bearing receivables	0.0	0.2	0.0	0.0	0.2	0.2
Other financial assets	0.0	0.0	1.0	0.0	1.0	1.0
Current financial assets						
Short-term interest-bearing receivables	0.0	0.0	0.0	0.0	0.0	0.0
Account and other receivables	0.0	398.3	0.0	0.0	398.3	398.3
Derivative financial instruments	12.1	0.0	0.0	0.0	12.1	12.1
Cash and cash equivalents	0.0	101.1	0.0	0.0	101.1	101.1
Total	**12.1**	**499.6**	**1.0**	**0.0**	**512.6**	**512.6**

Financial assets						
Non-current financial liabilities						
Interest-bearing liabilities	0.0	0.0	0.0	137.9	137.9	137.9
Derivative financial instruments	1.9	0.0	0.0	0.0	1.9	1.9
Current financial liabilities						
Interest-bearing liabilities	0.0	0.0	0.0	209.7	209.7	209.7
Derivative financial instruments	4.3	0.0	0.0	0.0	4.3	4.3
Account and other payables	0.0	0.0	0.0	157.4	157.4	157.4
Total	**6.2**	**0.0**	**0.0**	**505.0**	**511.2**	**511.2**

NOMINAL AND FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

EUR million	**30.9.2013** Nominal value	**30.9.2013** Fair value	**30.9.2012** Nominal value	**30.9.2012** Fair value	**31.12.2012** Nominal value	**31.12.2012** Fair value
Foreign exchange forward contracts	693.4	7.8	465.9	1.5	504.8	3.4
Currency options	16.1	0.2	0.0	0.0	19.7	0.0
Interest rate swaps	100.0	-1.9	100.0	-3.0	100.0	-3.0
Electricity derivatives	2.8	-0.2	1.9	-0.2	1.9	-0.2
Total	**812.4**	**5.9**	**567.8**	**-1.7**	**626.5**	**0.3**

Derivatives are used for hedging currency and interest rate risks, as well as the risk of electricity price fluctuations. The Company applies hedge accounting on the derivatives used to hedge cash flows in large projects in Business Area Equipment and to interest rates of certain long-term loans.

ACQUISITIONS

Konecranes completed one small acquisition in crane service business during January–March 2013 when it acquired service business assets and operations of S.E.T.E.M in Bordeaux, France.

In May 2013 Konecranes and the KION Group, one of the leading global manufacturers of industrial trucks, closed the transaction announced on 18 February 2013 to collaborate in the container handling lift truck business. Based on the collaboration agreement, Konecranes with immediate effect becomes long-term supplier of container handling lift trucks to the worldwide distribution network of Linde Material Handling, which is wholly owned by KION Group. Both companies will continue to offer a full range of container handling lift trucks, including reach stackers, empty container handlers and laden container handlers. In addition, Konecranes acquired certain assets including the product rights and inventories for container handling lift trucks from Linde Material Handling,

NOTES

The fair values of the identifiable assets and liabilities of the acquired businesses at the date of acquisition are summarized below.

EUR million	**30.9.2013** Recognized on acquisition	**30.9.2013** Fair value adjustments	**30.9.2013** Acquired carrying value
Intangible assets			
Clientele	7.9	7.9	0.0
Technology	0.8	0.8	0.0
Other intangible assets	0.0	0.0	0.0
Property, plant and equipment	0.0	0.0	0.0
Inventories	2.8	0.3	2.5
Account receivables and other assets	0.0	0.0	0.0
Cash and cash equivalents	0.0	0.0	0.0
Total assets	**11.5**	**8.9**	**2.5**
Deferred tax liabilities	0.5	0.5	0.0
Long- and short-term interest bearing debts	0.0	0.0	0.0
Account payables and other current liabilities	0.5	0.5	0.0
Total liabilities	**1.0**	**1.0**	**0.0**
Net assets	**10.5**	**7.9**	**2.5**
Purchase consideration transferred	**10.5**		
Goodwill	**0.0**		
Cash outflow on acquisition			
Purchase consideration, paid in cash	8.3		
Transactions costs*	0.4		
Cash and cash equivalents in acquired companies	0.0		
Net cash flow arising on acquisition	**8.7**		
Purchase consideration:			
Purchase consideration, paid in cash	8.3		
Purchase consideration, liabilities assumed	2.2		
Contingent consideration liability	0.0		
Total purchase consideration	**10.5**		

**Transaction costs of EUR 0.4 million have been expensed and are included in other operating expenses.*

In September 2013 Konecranes acquired 30.5% of Konesko A/S in Estonia for which the previous ownership was 19%. Company has been classified and consolidated as a joint operation in 2013 (2012 restated) according to the IFRS11 standard.

DIVESTMENTS 2013

During the third quarter of 2013 Konecranes sold small Machine Tool Service business unit in Heilbronn Germany to the management of the unit. The disposal resulted a loss of 0.9 M€ to the statement of income.

QUARTERLY FIGURES

CONSOLIDATED STATEMENT OF INCOME, QUARTERLY

EUR million	Q3/2013	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Sales	**502.9**	**519.9**	**495.9**	**605.1**	**529.8**	**562.5**	**474.0**
Other operating income	0.3	0.6	0.5	0.6	0.3	0.6	0.7
Depreciation and impairments	-8.3	-11.1	-10.2	-10.7	-10.2	-10.9	-9.7
Restructuring costs	-23.6	0.0	-4.3	-5.8	0.0	0.0	0.0
Other operating expenses	-462.6	-492.2	-463.0	-552.9	-483.0	-517.2	-441.0
Operating profit	**8.8**	**17.2**	**18.8**	**36.4**	**37.0**	**35.1**	**24.0**
Share of associates' and joint ventures' result	0.6	1.7	0.6	1.5	0.1	1.7	0.6
Financial income and expenses	-1.1	-3.1	-3.9	-4.2	0.0	-3.8	-4.1
Profit before taxes	**8.3**	**15.8**	**15.5**	**33.7**	**37.1**	**32.9**	**20.5**
Taxes	-2.9	-4.7	-4.6	-11.4	-12.0	-9.8	-6.1
Net profit for the period	**5.3**	**11.1**	**10.9**	**22.3**	**25.0**	**23.1**	**14.4**

CONSOLIDATED BALANCE SHEET, QUARTERLY

EUR million

ASSETS	Q3/2013	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Goodwill	102.3	109.1	113.3	112.8	116.2	116.0	115.8
Intangible assets	89.8	92.6	75.4	76.6	73.9	77.8	77.2
Property, plant and equipment	138.7	142.4	149.6	138.7	137.2	136.8	133.0
Other	145.4	150.2	146.4	150.0	150.9	135.3	130.7
Total non-current assets	**476.2**	**494.3**	**484.8**	**478.2**	**478.1**	**465.8**	**456.7**
Inventories	368.5	374.2	373.5	369.8	420.0	398.4	392.7
Receivables and other current assets	556.3	562.4	564.7	582.9	634.7	585.3	545.3
Cash and cash equivalents	101.1	107.8	217.4	145.3	112.0	167.9	108.7
Total current assets	**1,025.8**	**1,044.4**	**1,155.6**	**1,098.1**	**1,166.6**	**1,151.6**	**1,046.6**
Total assets	**1,502.1**	**1,538.7**	**1,640.4**	**1,576.3**	**1,644.7**	**1,617.5**	**1,503.3**

EQUITY AND LIABILITIES	Q3/2013	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Total equity	**429.1**	**427.9**	**424.3**	**462.6**	**450.8**	**427.8**	**394.4**
Non-current liabilities	235.0	229.8	306.2	303.2	294.4	290.6	215.3
Provisions	45.8	42.9	46.8	44.5	48.3	48.7	50.8
Advance payments received	210.2	205.2	228.4	217.2	286.5	197.6	199.4
Other current liabilities	581.9	633.0	634.7	548.9	564.7	652.8	643.4
Total liabilities	**1,072.9**	**1,110.8**	**1,216.1**	**1,113.6**	**1,193.9**	**1,189.6**	**1,109.0**
Total equity and liabilities	**1,502.1**	**1,538.7**	**1,640.4**	**1,576.3**	**1,644.7**	**1,617.5**	**1,503.3**

QUARTERLY FIGURES

CONSOLIDATED CASH FLOW STATEMENT - QUARTERLY

EUR million	Q3/2013	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Operating income before change in net working capital	35.5	28.7	30.0	51.4	47.8	46.6	34.5
Change in net working capital	16.1	-39.0	14.0	39.5	15.5	-18.3	-8.4
Financing items and taxes	-10.9	-22.0	-11.8	-5.9	-18.3	-11.7	-14.0
Net cash from operating activities	**40.7**	**-32.3**	**32.2**	**84.9**	**45.0**	**16.6**	**12.0**
Cash flow from investing activities	**-15.3**	**-23.6**	**-11.3**	**-15.7**	**-19.6**	**-15.6**	**-12.8**
Cash flow before financing activities	**25.4**	**-55.9**	**20.9**	**69.2**	**25.4**	**1.0**	**-0.8**
Proceeds from options exercised and share issues	0.1	0.8	5.1	0.4	0.3	0.4	0.0
Change of interest-bearing debt	-28.6	9.6	43.6	-35.1	-81.1	112.8	36.6
Dividends paid to equity holders of the parent	0.0	-60.6	0.0	0.0	0.0	-57.2	0.0
Net cash used in financing activities	**-28.5**	**-50.2**	**48.6**	**-34.7**	**-80.8**	**56.0**	**36.6**
Translation differences in cash	-3.6	-3.5	2.5	-1.2	-0.5	2.3	-0.6
Change of cash and cash equivalents	**-6.7**	**-109.6**	**72.0**	**33.3**	**-55.9**	**59.2**	**35.2**
Cash and cash equivalents at beginning of period	107.8	217.4	145.3	111.8	167.7	108.7	73.5
Cash and cash equivalents at end of period	101.1	107.8	217.4	145.1	111.8	167.9	108.7
Change of cash and cash equivalents	**-6.7**	**-109.6**	**72.0**	**33.3**	**-55.9**	**59.2**	**35.2**
Free Cash Flow	**28.9**	**-48.3**	**21.7**	**71.2**	**26.1**	**3.7**	**0.7**

QUARTERLY FIGURES

QUARTERLY SEGMENT INFORMATION

EUR million

Orders received by Business Area	Q3/2013	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Service [1)]	170.9	193.4	186.1	181.3	182.4	183.7	187.6
Equipment	276.6	339.6	423.2	269.7	303.2	395.3	372.1
./. Internal	-34.6	-30.0	-26.6	-27.2	-27.6	-25.2	-25.2
Total	**412.9**	**503.0**	**582.7**	**423.8**	**458.0**	**553.7**	**534.6**

[1)] *Excl. Service Contract Base*

Order book by Business Area	Q3/2013	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Service	169.9	177.7	170.0	147.2	154.9	155.6	146.7
Equipment	849.0	901.7	914.0	795.6	930.2	967.2	928.9
Total	**1,018.9**	**1,079.4**	**1,084.0**	**942.7**	**1,085.1**	**1,122.8**	**1,075.6**

Sales by Business Area	Q3/2013	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Service	215.2	217.9	208.4	239.0	218.9	220.4	205.8
Equipment	320.3	328.2	315.9	401.6	341.6	376.1	293.4
./. Internal	-32.5	-26.2	-28.3	-35.5	-30.7	-33.9	-25.2
Total	**502.9**	**519.9**	**495.9**	**605.1**	**529.8**	**562.5**	**474.0**

Operating profit (EBIT) by Business Area excluding restructuring costs	Q3/2013	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Service	20.7	15.6	15.8	23.8	20.8	17.4	12.6
Equipment	16.3	7.4	13.3	23.5	21.9	23.0	15.7
Group costs and eliminations	-4.6	-5.8	-6.0	-5.2	-5.7	-5.3	-4.4
Total	**32.4**	**17.2**	**23.1**	**42.2**	**37.0**	**35.1**	**24.0**

Operating margin, (EBIT %) by Business Area excluding restructuring costs	Q3/2013	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Service	9.6%	7.2%	7.6%	10.0%	9.5%	7.9%	6.1%
Equipment	5.1%	2.3%	4.2%	5.9%	6.4%	6.1%	5.4%
Group EBIT % total	**6.4%**	**3.3%**	**4.7%**	**7.0%**	**7.0%**	**6.2%**	**5.1%**

QUARTERLY FIGURES

QUARTERLY SEGMENT INFORMATION

Personnel by Business Area (at the end of the period)	Q3/2013	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Service	6,219	6,221	6,241	6,119	6,114	6,060	5,981
Equipment	5,658	5,663	5,782	5,973	5,936	5,805	5,714
Group staff	57	57	58	55	57	59	61
Total	**11,934**	**11,941**	**12,081**	**12,147**	**12,107**	**11,924**	**11,756**

Sales by market	Q3/2013	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Europe-Middle East-Africa (EMEA)	232.1	257.3	224.0	289.4	254.3	270.0	230.1
Americas (AME)	182.1	169.7	191.0	204.5	179.1	188.6	148.7
Asia-Pacific (APAC)	88.7	92.9	80.9	111.2	96.4	104.0	95.2
Total	**502.9**	**519.9**	**495.9**	**605.1**	**529.8**	**562.5**	**474.0**

Personnel by region (at the end of the period)	Q3/2013	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Europe-Middle East-Africa (EMEA)	6,287	6,294	6,301	6,269	6,263	6,190	6,164
Americas (AME)	2,725	2,709	2,708	2,724	2,653	2,630	2,546
Asia-Pacific (APAC)	2,922	2,938	3,072	3,154	3,191	3,104	3,046
Total	**11,934**	**11,941**	**12,081**	**12,147**	**12,107**	**11,924**	**11,756**

ANALYST AND PRESS BRIEFING

An analyst and press conference will be held at Savoy restaurant's Salikabinetti (Note new venue, address Eteläesplanadi 14) at 11.00 a.m. Finnish time. The Interim Report will be presented by Konecranes' President and CEO Pekka Lundmark and CFO Teo Ottola.

A live webcast of the conference will begin at 11.00 a.m. at www.Konecranes.com. Please see the stock exchange release of October 4, 2013, for the conference call details.

NEXT REPORT

Konecranes' Financial Statements Bulletin 2013 will be published on February 5, 2014.

Konecranes PLC

Miikka Kinnunen
Director, Investor Relations

ADDITIONAL INFORMATION

Mr. Pekka Lundmark,
President and CEO,
tel. +358 20 427 2000

Mr. Teo Ottola,
Chief Financial Officer,
tel. +358 20 427 2040

Mr. Miikka Kinnunen,
Director, Investor Relations,
tel. +358 20 427 2050

Mr. Mikael Wegmüller,
Vice President, Marketing and Communications,
tel. +358 20 427 2008

DISTRIBUTION

NASDAQ OMX Helsinki
Media
www.Konecranes.com

Konecranes is a world-leading group of Lifting Businesses™, serving a broad range of customers, including manufacturing and process industries, shipyards, ports and terminals. Konecranes provides productivity-enhancing lifting solutions as well as services for lifting equipment and machine tools of all makes. In 2012, Group sales totaled EUR 2,170 million. The Group has 11,900 employees at 626 locations in 48 countries. Konecranes is listed on the NASDAQ OMX Helsinki (symbol: KCR1V).

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